

**State Health Care Innovation Plan.** Recipient shall deliver, within 30 days of the project period end date, a State Health Care Innovation Plan, which addresses parts A-J as outlined below. Each part shall contain discussion and, when applicable, conclusions relating to each topic listed beneath the headings.

**A. State Goals**

1. A Vision Statement for health system transformation.
2. Description of health system models in “current as is” and “future to be” conditions, including the level of integration of behavioral health, substance abuse, developmental disabilities, elder care, community health, and home and community-based support services.
3. Description of delivery system payment methods both “current as is” and “future to be” payment methods.
4. Description of health care delivery system performance “current as is” and “future to be” performance measures

**B. Description of State Health Care Environment**

The Plan shall include the following in a description of the health and health care environment in the state:

1. Description of population demographics and profiles of major payers in the state including number of residents covered by commercial insurers, Medicare, Medicaid and CHIP.
2. Description of population health status and issues or barriers that need to be addressed.
3. Report on opportunities or challenges to adoption of Health Information Exchanges (HIE) and meaningful use of electronic health record technologies by various provider categories, and potential strategies and approaches to improve use and deployment of HIT.
4. Description of the current health care cost performance trends and factors affecting cost trends (including commercial insurance premiums, Medicaid and CHIP information, Medicare information, etc.).
5. Description of the current quality performance by key indicators (for each payer type) and factors affecting quality performance.
6. Description of population health status measures, social/economic determinants impacting health status, high risk communities, and current health status outcomes and the other factors impacting population health.
7. Description of specific special needs populations (for each payer type) and factors impacting care, health, and cost.
8. Description of current federally-supported program initiatives under way in the state, including those supported by but not limited to CDC, CMMI, CMCS, ONC, HRSA and SAMHSA.
9. Description of existing demonstration and waivers granted to the state by CMS.

**C. Report on Design Process Deliberations**

The Plan shall contain a report on the State's deliberations and its consideration of each of the levers and strategies enumerated in items (a) through (n) of the preceding section, "Scope of Model Design Project." This part of the plan should describe the options considered during the review of each item, evidence of stakeholder engagement, and any consensus reached, or disagreement that remained at the close of deliberations on each item.

#### **D. Health System Design and Performance Objectives**

1. Description of delivery system cost quality and population health performance targets that will be the focus of delivery system transformation.
2. State's goals for improving care, population health and reducing health care cost.

#### **E. Proposed Payment and Delivery System Models**

1. The Plan shall set forth the state's proposed payment and service delivery models including strategies that involve multiple payers that will move the preponderance of care in the state from fee for service to value-based payment systems. The plan should aim to move 80% of the state's total population to value-based payment and service delivery models within 5 years.
2. The plan will identify how the state proposes to use the executive, regulatory and legislative authorities to align multiple payers (including commercial) and providers for health delivery system transformation and, specifically, identify how the state will use levers in incentivizing stakeholders to engage in health care transformation, including but not limited to:
  - Academic medical centers
  - Certificate of need (or, if not applicable, voluntary health capacity planning)
  - Practitioner licensing and scope of practice
  - Purchasing of health care
  - Health insurance regulation
  - The Health Insurance Marketplace
  - Graduate medical education
  - Medicaid supplemental payment programs
  - Survey and certification of acute and post-acute health care facilities

#### **F. Health Information Technology**

With regard to health information technology initiatives, the Plan should describe the following:

- How activities under the Plan will coordinate with other statewide HIT initiatives to accelerate adoption of health information technology among providers.
- How activities under the Plan will reach providers in rural areas, small practices and behavioral health providers.

- Cost allocation plan or methodology for any planned IT system solutions/builds funded in part by CMS or any other federal agency.
- Any impact this project will have on the MMIS, and how the MMIS will be used to support the project, including whether there will be a need to add any new system functionality or enhancements to existing system functionality to support the effort. Please describe all MMIS claims, recipient, provider or other MMIS data and the specific MMIS business processes the state will utilize in support of this effort.
- Estimated planning and implementation timelines for the needed changes to MMIS and how these timelines will dovetail with the SIM project.

### **G. Workforce Development**

The Plan should set forth a strategy to develop innovative approaches to improve the effectiveness, efficiency and appropriate mix of the health care work force through policies regarding training, professional licensure, and expanding scope of practice statutes, including strategies to enhance primary care capacity, and to better integrate community health care manpower needs with graduate medical education, training of allied health professionals, and training of direct service workers; and move toward a less expensive workforce that makes greater use of community health workers when practicable.

### **H. Financial Analysis**

The Plan should contain a financial analysis describing (i) the populations being addressed and their respective total medical and other services costs as per member per month and population total (ii) estimated cost of investments necessary to implement the Plan, including ongoing costs to providers, infrastructure costs including personnel and vendors, (iii) anticipated cost savings resulting from specified interventions, including the types of costs that will be affected by the model and the anticipated level of improvement by target population, (iv) expected total cost savings and return on investment during the project period for the overall state model and basis for expected savings (previous studies, experience, etc.) and (v) a plan for sustaining the overall model over time.

### **I. Evaluation Plans**

The Plan shall set forth a strategy for evaluation, including:

1. Plans to provide access to data and stakeholders to enable CMS to evaluate the extent to which the state's delivery system reform plan was implemented, its effect on health care spending, and its impact on health care quality;
2. Identification of potential sources of data including provider surveys, Medicare administrative claims, state Medicaid and CHIP program information, beneficiary experience surveys, site visits with practices, and focus groups with beneficiaries and their families and caregivers, practice staff, direct support workers, and others (e.g. payers), for program evaluation.

3. Plans to play an active role in continuous improvement and evaluation, particularly in regard to Medicaid and CHIP benefits. Each state is encouraged to identify a research group, preferably within the state, that could assist in the CMS evaluation and develop in-state evaluation expertise so that evaluation efforts continue after the model funding has ended.

## **J. Roadmap for Health System Transformation**

The Plan shall:

1. Provide a timeline for transformation
2. Review milestones and opportunities
3. Describe policy, regulatory and/or legislative changes necessary to achieve the State's vision for a transformed health care delivery system
4. Describe any federal waiver or State plan amendment requirements and their timing to enable key strategies for transformation, including changes or additions required to position the Medicaid and CHIP programs to take advantage of broad health care delivery system transformation.